

**NON-FARM OPERATIONS – Client Form**

A form must be completed for each Schedule C or Schedule C-EZ filed with your household's income tax forms. Please fill out the questions below. Name of the business: \_\_\_\_\_

**INCOME TAX FORMS:**

1. *Line 6, Schedule C, or Line 1, C-EZ, Gas/fuel tax refund:* If there is an amount on this line, list the amount that was credited as a gas fuel/tax refund last year, if any: \$\_\_\_\_\_ (If not known, amount is on last year's tax forms.)
2. *Line 26, Schedule C or Line 2, C-EZ, Wages:* If there is an amount on this line, list amounts paid to a member of the household, if any: \$\_\_\_\_\_ paid to \_\_\_\_\_ [household member(s)].
3. *Line 2, Schedule C-EZ,* list amounts that are identified as depreciation, if any: \$\_\_\_\_\_

**CAPITAL ASSETS** (list description of the item in column 4a below):

4. In column 4b below, list any money spent last year on the purchase of capital assets (office furniture, equipment, computers, etc.) used for the business.
  - Only list the amount you paid last year.
  - If the item you list is for both business and personal use, show only the dollar value that is attributed to the business. Example - Computer: total cost is \$1000 – used 80% on business; 20% for home – enter \$800 in 4b).
  - If any of the amounts listed include interest payments that are already shown on lines 16a or 16b of your Schedule C, or included in line 2, Schedule C-EZ, list the interest amount under column 4c below. (This must be done to make sure that we don't show the same amount twice.)
  - If you pay a mortgage and you choose to deduct a business expense for your home, the amount of the deduction for business mortgage expenses will be determined in the "Business in the Home" section below. If you do not have a business in the home, you may want to list your business mortgage payment/interest below.

4a. Business Asset Description	4b. Business Amount Paid in 2004	4c. Portion of Interest Amount listed on Lines 16a or 16b of Schedule C for the Asset (enter 0 if none)
<i>Example: Computer</i>	<i>\$1500</i>	<i>Line 16b \$250</i>
Use separate sheet if more space is needed.		

Agency Use only: Total Amount Paid in Section 4b less the interest amount in Section 4c is entered on 304, page 4 under ASSET.

**BUSINESS IN THE HOME:**

6. Is the business located in your home? Yes \_\_\_\_\_ No \_\_\_\_\_  
If **No**, sign this form and return to the benefit specialist. If **Yes**, continue.

Food Stamp rules allow you to use all of your home costs as a shelter deduction when your food stamp benefit amount is calculated, or you can choose to have a part of your home costs used in the food stamp benefit determination and a part of the costs in the self-employment income calculation.

7. Do you wish to use all your shelter costs in the food stamp shelter deduction? Yes \_\_\_\_\_ No \_\_\_\_\_  
If "Yes", please list the amount of your shelter costs that are included on the following lines on Schedule C:  
Line 15, Insurance: \$\_\_\_\_\_ Line 16a Mortgage Interest \$\_\_\_\_\_ Line 20b Rent \$\_\_\_\_\_, Line 23, Property Taxes \$\_\_\_\_\_; then sign this form & return to the benefit specialist. If "No", continue.
8. On your tax forms, did you deduct an expense for a part of your home costs? Yes \_\_\_\_\_ No \_\_\_\_\_
9. List total mortgage paid for your home last year \$\_\_\_\_\_ How much of the payment was interest \$\_\_\_\_\_
10. Complete columns 10a-10c if question 8 is answered "Yes" and you didn't file Form 8829, Business Use of your Home. If 8829 filed, sign this form and return to the benefit specialist.

10a. Write in the amount listed on your Schedule C below: (If Schedule C-EZ is filed, complete page 2 of this form.)	10b. Does the amount include both business & home costs? (Circle one if an expense is listed.)	**10c. If line 10b is "Yes", list the dollar portion for your home cost (the part not used for the business). If "No", list <u>total</u> dollars paid for the expense.
Line 15: Insurance \$ _____	Yes or No	\$ _____
Line 16a: Mortgage Interest \$ _____	Yes or No	\$ _____
Line 20b: Rent \$ _____	Yes or No	\$ _____
Line 23: Property Taxes \$ _____	Yes or No	\$ _____

\*\*See back of this form for more information; your benefit specialist will also help, if requested.

**Applicant/Recipient Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

## Guide to Determine Allowable Expenses for Self-Employment Business and Home Costs:

If your business is located in your home, IRS may allow you to deduct part of your home costs as a business expense. Food Stamp rules allow you to choose whether or not you wish to deduct a portion of your home costs as a business expense, or to use the entire home costs in your food stamp budget calculation as a shelter expense. Whichever you decide, we cannot allow the same amounts to be duplicated: any amounts claimed as a business expense cannot also be claimed as a home expense. To make sure the same amounts are not duplicated, the Business in the Home section on the reverse side must be completed if you have claimed a portion of your home expenses on your self-employment income tax forms.

- HOME COSTS: Mortgage payment, including mortgage interest, property taxes, house and property insurance.

### DAY CARE BUSINESS:

**Step 1:** List average # of hours per week children are in the home for dependent care \_\_\_\_\_

Weekly Hours	= Monthly Hours	Weekly Hours	= Monthly Hours	Weekly Hours	= Monthly Hours	Total Hours Per Month	% of Business Usage of Home
10 hours/week – 43 hours/month		45 hours/week – 195 hours/month		80 hours/week -- 346 hours/month		<b>1 - 100</b>	<b>= 10%</b>
15 hours/week – 65 hours/month		50 hours/week – 216 hours/month		85 hours/week -- 368 hours/month		<b>101 - 150</b>	<b>= 17%</b>
20 hours/week – 86 hours/month		55 hours/week – 238 hours/month		90 hours/week -- 390 hours/month		<b>151 - 215</b>	<b>= 25%</b>
25 hours/week – 108 hours/month		60 hours/week -- 260 hours/month		95 hours/week -- 411 hours/month		<b>216 - 301</b>	<b>= 35%</b>
30 hours/week – 130 hours/month		65 hours/week -- 281 hours/month		100 hours/week – 433 hours/month		<b>302 - 387</b>	<b>= 48%</b>
35 hours/week – 151 hours/month		70 hours/week – 303 hours/month		105 hours/week – 455 hours/month		<b>388 - 495</b>	<b>= 60%</b>
40 hours/week – 173 hours/month		75 hours/week – 325 hours/month		110 hours/week – 476 hours/month		<b>496 - 581</b>	<b>= 75%</b>

**Step 2:** Match your weekly hours of care to the same weekly hours in one of the first three columns. The figure to the right of the weekly hours lists the average number of hours per month.

**Step 3:** Locate monthly hours in the **fourth column (bold)**. The bold percentage figure is the business percentage for your dependent care business. [The business use percentage may be used to calculate the allowable business deduction for your office in the home costs.]

**Step 4:** Complete: \_\_\_\_\_ (hours/week) = \_\_\_\_\_ (hours/month) = \_\_\_\_\_ % business use of the home  
*Example: 40 hours a week = 173 hours per month = 25% business use*

**Step 5:** 100% minus \_\_\_\_\_ business use % = \_\_\_\_\_ home use %. Take the home use % times the shelter cost and enter that figure on 10c or for Schedule C-EZ, Section 2, 2d below, for the home share portion.  
*Example: House Insurance is \$600. The individual has day care children in the home 45 hours per week which is equal to 195 hours per month. 195 hours per month is 25%. 100% less 25% = 75% home use. Insurance of \$600 times 75% = \$450 home share portion of the house insurance. List \$450 in column 10c for home share insurance cost or 2d below is Schedule C-EZ is filed..*

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**OTHER BUSINESS IN THE HOME:** Enter total square footage used for the business \_\_\_\_\_ and divide by total square footage of the home \_\_\_\_\_ = \_\_\_\_\_ % business use of the home. 100% less \_\_\_\_\_ business % = \_\_\_\_\_ % home share. (Enter on 10c if Schedule C is filed; or 2d below is Schedule C-EZ is filed.

### SECTION 2: SCHEDULE C-EZ WORKSHEET FOR BUSINESSES IN THE HOME:

2a: Amount on Schedule C - EZ: Check [ <input checked="" type="checkbox"/> ] expense if an amount is included on Line 2	2b: If Checked, list the amount included for that expense	2c: Is this the total amount paid for that expense? [Circle One]	2d: If Yes: List home portion only If No: List total amount of the expense.
Insurance: [ <input type="checkbox"/> ]	\$	Yes or No	
Mortgage Interest: [ <input type="checkbox"/> ]	\$	Yes or No	
Rent: [ <input type="checkbox"/> ]	\$	Yes or No	
Property Tax [ <input type="checkbox"/> ]	\$	Yes or No	